

PROPRIETARY LEASE

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## PROPRIETARY LEASE

### METROPOLIS TOWERS APT. CORP.

PROPRIETARY LEASE, made as of \_\_\_\_\_, by and between METROPOLIS TOWERS APT. CORP., a New Jersey Corporation [originally known as: Gregory Park Cooperative Corporation], having its principal place of business at II Gregory Park Plaza, Jersey City, New Jersey (the "Lessor") and \_\_\_\_\_ (the "Lessee").

WHEREAS, the Lessor is the Owner of land and the buildings erected thereon known as and by the street numbers I & II Gregory Park Plaza, Jersey City, New Jersey, and

WHEREAS, the Lessee is the owner of \_\_\_\_\_ shares of the Lessor, to which this lease is appurtenant and which have been allocated to Unit \_\_\_\_\_ in building \_\_\_\_\_ (the "Unit");

NOW THEREFORE, in consideration of the premises, the Lessor hereby leases to the Lessee, and the Lessee hires from the Lessor, subject to the terms and conditions hereof, the Unit for a term from \_\_\_\_\_ until October 31, 2095 (unless sooner terminated as hereinafter provided).

**1. MAINTENANCE.** (a) The rent ( called "maintenance") payable by the Lessee equals that proportion of the Lessor's cash requirements which the number of shares of the Lessor allocated to the Unit bears to the total number of shares issued and outstanding on the date of the determination of such cash requirements. Such maintenance shall be payable in equal monthly installments in advance on the first day of each month without deduction or set off or claim which the Lessor may have against Lessee. Lessee shall also pay Lessee's pro rata share (determined in the same manner as maintenance) of any special assessment charge that may be levied by Lessor from time to time to pay for any repair, alteration, or improvement to the property of the Lessor or any deficit from operations for a prior period or any other cash requirement(s) determined by Lessor in accordance with this Lease in accordance with section 3 below. Such special maintenance charge or assessment shall be deemed additional rent and shall be payable in a lump sum or in periodic installments, as the Lessor's Board of Directors shall determine. The Lessee shall also pay such assessments and additional sums as may be provided for herein when due. Maintenance shall include the cost of gas and electricity consumed within the Unit except if same shall be measured by meter, in which event such costs shall be paid by Lessee directly and not part of maintenance.

(b) In the event the Lessee shall fail to pay any installment of maintenance, assessment or additional charges provided for herein within ten (10 ) days of its due date, the Lessee shall pay a late fee to be determined by the Lessor's Board of

Directors (subject to periodic change, to be applied on a non-discriminatory basis) and such late fee shall be deemed additional sum due hereunder.

2. **SHARES OF STOCK.** In every proprietary lease there will be specified, the number of shares of the Lessor issued to a lessee simultaneously therewith.

3. **CASH REQUIREMENTS.** "Cash Requirements" whenever used herein shall mean the estimated amount in cash which the Directors shall from time to time in its judgment determine to be necessary or proper for the operation, maintenance, care, alteration and improvement of the corporate property. The Directors may from time to time modify its prior determination and increase or diminish the amount previously determined as cash requirements.

4. **PAID IN SURPLUS.** The Directors may from time to time determine how much of the maintenance and other receipts, shall be credited on the corporate accounts to "Paid-in-Surplus". Unless the Directors shall determine otherwise, the amount of payments on account of principal of any mortgages shall be credited to Paid-in-Surplus.

5. **LESSOR'S OBLIGATION TO REPAIR.** The Lessor shall at its expense keep in good repair the building, the sidewalks surrounding the same, and its equipment and apparatus except those portions the maintenance and repair of which are expressly stated to be the responsibility of the Lessee.

6. **LESSOR'S OBLIGATION TO MAINTAIN AND MANAGE THE BUILDING.** The Lessor shall maintain and manage the building and shall keep the public halls, cellars and stairways clean and properly lighted and heated, and provide for the proper care and service of the building, and shall provide the Unit with a proper and sufficient supply of hot and cold water and of heat, when deemed appropriate by the Directors. The covenants by the Lessor herein contained are subject, however, to the discretionary power of the Directors to determine from time to time what services and what attendants shall be proper and the manner of maintaining and operating the building, and also what services shall be changed, or terminated.

7. **CASUALTY DAMAGE AND LIABILITY INSURANCE.** If the Unit or the building shall be damaged by fire or other cause covered by insurance carried by the Lessor, the Lessor shall at its own cost and expense, repair the damage including the walls, floors, ceilings, pipes, wiring, and conduits in the Unit. Lessor shall not be required to repair or replace, equipment, fixtures, furniture, furnishings or decorations installed by the Lessee nor shall the lessor be obligated to repaint or replace wallpaper or other decorations in Units. The liability insurance carried by the Apartment Corporation shall contain an endorsement, if available, naming the Holders of Unsold Shares as additional named insured as their respective interest may appear with any additional premiums incurred to be paid by the Holders of Unsold Shares.

**8. ABATEMENT OF MAINTENANCE.** In case the damage resulting from fire or other cause shall be so extensive as to render the Unit partly or wholly untenantable, the maintenance hereunder shall proportionately abate until the Unit shall again be rendered wholly tenantable; but if said damage shall be caused by the act of negligence of the Lessee or any occupant of the Unit, such maintenance shall abate only to the extent of the rental value insurance, if any, collected by Lessor with respect to the Unit.

**9. REPAIR OF CASUALTY DAMAGE.** If the Directors shall determine that the building is so damaged that it cannot be repaired within a reasonable time, or that the damage was caused by hazards which are not covered under the Lessor's insurance and if the holders of at least two-thirds of the issued shares, at a shareholders' meeting duly called for that purpose, shall vote not to repair, restore, or rebuild, then upon the giving of notice pursuant to paragraph 36, this Lease and all other proprietary leases, shall thereupon cease and expire and maintenance shall be paid to date of such damage.

**10. WAIVER OF SUBROGATION.** In the event that the Lessor suffers loss or damage for which Lessee would be liable, and Lessor carries insurance policies which contain a waiver of subrogation against the Lessee, then in such event Lessor releases Lessee from any liability with respect to such loss or damage. The Lessor agrees to use its best efforts to obtain a provision in all insurance policies carried by it waiving the right of subrogation against the Lessee.

**11. BOOKS OF ACCOUNT OF LESSOR.** The Lessor shall keep full and correct books of account at its principal office or at such other place as the Directors may from time to time determine, and the same be open during all reasonable hours to inspection by the Lessee or a representative of the Lessee. The Lessor shall deliver to the Lessee within a reasonable time after the end of each fiscal year an annual report of corporate financial affairs, including a balance sheet and a statement of income and expenses, prepared by an independent certified public accountant.

**12. CHANGES IN PROPRIETARY LEASE.** This proprietary lease (and all other proprietary leases) may be changed by the approval of at least 66-2/3% of the lessees and such changes shall be binding even if the Lessee did not vote for such changes except that the proportionate share of maintenance or cash requirements payable by the Lessee may not be increased nor may his right to cancel the lease under the conditions set forth in paragraph 46 to be eliminated or impaired without his express consent.

**13. TERRACE, BALCONY OR ROOF.** If the Unit includes a terrace, balcony or a portion of the roof, the Lessee shall have the exclusive use of said areas subject to the provisions of this lease and subject to such regulations as may, from time to time, be prescribed by the Directors. The Lessor shall have the right to erect equipment on the roof, including radio and television aerials and antennas, for its use and the use of the lessees in the building and shall have the right of access thereto for such installations and for the repair thereof. The Lessee shall keep the terrace, balcony, or portion of the

roof appurtenant to his Unit clean and free from snow, ice, leaves and other debris and shall maintain all screen and drain boxes in good condition. No planting, fences or structures shall be erected or installed or maintained on the terraces, balconies, or roof of the building nor shall the walls thereof be painted or carpeted by the Lessee without the prior written approval of the Lessor.

**14. POSSESSION BY THIRD PARTY.** If at the date of the commencement of this lease, any third party shall be in possession or have the right to possession of the Unit, then the Lessor assigns to the Lessee assumes all of the Lessor's obligations to said third party from said date. The Lessor agrees to cooperate with the Lessee (at no cost or expense to the Lessor), in the enforcement of the Lessee's rights against said third party.

**15. QUIET ENJOYMENT.** The Lessee, shall at all times, quietly have, hold and enjoy the Unit subject to any and all mortgages and underlying leases of the land and building.

**16. HOLD HARMLESS AGREEMENT.** The Lessee, agrees to save the Lessor harmless from all liability, loss or damage, due wholly or in part, any act or omission of the Lessee or his agent or of any person dwelling or visiting in the Unit. This paragraph shall not apply to any loss or damage when Lessor is covered by insurance which provides for waiver of subrogation against the Lessee.

**17. HOUSE RULES.** The Lessor has adopted House Rules which are appended hereto and made a part of this proprietary lease and the Directors may alter, amend or repeal such House Rules and adopt new House Rules. The Lessee shall comply with all such House Rules and shall be responsible to and held accountable by the Lessor in the event any of the House Rules are violated by any sub-tenant, guest or invitee of Lessee. Breach of a House Rule shall be a default of a material term and condition of this Lease. The Lessor shall not be responsible to the Lessee for the non-observance or violation of House Rules by any other lessee or person.

**18. USE OF THE UNIT.** (a) The Lessee shall not, without the written consent of the Lessor on such conditions as Lessor may prescribe, occupy or use the Apartment or permit the same or any part thereof to be occupied or used for any purpose other than as a private dwelling for the Lessee, Lessee's Immediate Family (as defined in subparagraph (c) hereof) and Permitted Occupants (as defined in subparagraph (c) hereof). The Lessee shall inform Lessor in writing of the name(s) of any Permitted Occupant(s) within five (5) days prior to the commencement of occupancy by such occupant(s) or within five (5) days following a request by the Lessor. Any use or occupancy of the Apartment, including, without limitation, the number of occupants residing in the Apartment shall conform to the terms and conditions of the existing certificate of occupancy for the Building and all applicable government and municipal laws, regulations, ordinances and codes, or the House Rules as may be adopted by the Lessor.

(b) Nothing in this Paragraph 18 shall be construed to require the Board of Directors of Lessor to accept a non-individual Lessee. If the Board of Directors permits a non-individual Lessee, such non-individual Lessee shall not, without the written consent of the Lessor, on such conditions as the Lessor may prescribe, use the Apartment or permit the same to be used for any purpose other than as a private dwelling. Any use or occupancy of the Apartment, including without limitation, the number of occupants residing in the Apartment, shall conform to the terms and conditions of the existing certificate of occupancy for the Building and all applicable governmental and municipal laws, regulations, ordinances and codes. Such Lessee shall not, without the prior written consent of the Lessor, on such conditions as Lessor may prescribe, including, but not limited to, those conditions provided in Paragraph 19 of this lease, permit the Apartment or any part thereof to be occupied by other than (i) a designated individual who is associated with such Lessee as a officer, principal, beneficiary; or employee; and (ii) Lessee's spouse, their children, grandchildren, parents, grandparents, brothers and sisters and Permitted Occupants (as defined in subparagraph (c) hereof). Prior to the execution of this lease, or an assumption thereof, or not less than five (5) days before such individual takes occupancy, whichever is later, such Lessee shall provide Lessor with the name and relationship to Lessee of the individual whom Lessee designates to occupy the Apartment. The designation by Lessee of such initial individual and thereafter any additional or substitute individuals whom Lessee designates to occupy the Apartment shall be subject to the approval of Lessor in the same manner as a request to sublet the Apartment pursuant to the provisions of Paragraph 19 of this lease. All initial additional or substitute designees must be in occupancy of the Apartment for a period of not less than twelve (12) months and substitute designees shall not be designated less than eleven (11) months after any prior designation. The designee shall inform Lessor in writing of the name(s) of any Permitted Occupant(s) within five (5) days prior to the commencement of occupancy by such occupant(s) or within thirty (30) days following a request by the Lessor.

(c) For purposes of this Paragraph 18, the following definitions shall apply:

(i) An "individual" shall mean a natural person over 18 years of age and otherwise legally competent;

(ii) "Immediate Family" shall mean the Lessee's (or designee's pursuant to subparagraph (b)) spouse, their children, grandchildren, parents, grandparents, brothers, sisters, stepchildren and stepparents;

(iii) "Permitted Occupants" shall mean one additional occupant for each person named as "Lessee" on the lease and dependent children of such permitted occupant(s), provided that Lessee or Lessee's spouse actually occupied the apartment as Lessee's or Lessee's spouse's primary residence while such Permitted Occupant occupies the Apartment and further provided that the total number of occupants including named lessees, shall not at any time exceed the maximum number of occupants permitted by law or the House Rules as may be adopted by the Lessor.

(d) In addition to the foregoing, the Apartment may be occupied from time to time by guests of the Lessee (or designee(s) pursuant to subparagraph (b)) for a period of time not exceeding one (1) month, unless a longer period is approved in writing by the Lessor. No guests may occupy the Apartment unless one or more of the permitted adult residents are then in actual occupancy, except as otherwise consented to in writing by the Directors, provided that the total number of occupants including named lessees, shall not at any time exceed the maximum number of occupants permitted by law or the House Rules as may be adopted by the Lessor.

**19. SUBLETTING.** (a) Except as provided in paragraphs 20 & 50 of this Lease, the Lessee shall not sublet the whole or part of the Unit or renew or extend any previously authorized sublease, without the written consent of the Lessor or if the Lessor shall have failed or refused to give such consent, then by lessees owning at least two-thirds of the then issued shares of the Lessor by written consent or by affirmative vote taken at a meeting called for such purpose. Any consent to subletting may be subject to such conditions as the Directors or lessees, as the case may be, may impose.

(b) Without limiting the rights of the Lessor to grant or withhold its consent or to establish conditions on any proposed sublet, the Lessor shall have the further right to establish and/or modify a fee for subletting the Unit, payable to Lessor and such fee shall be deemed additional rent.

(c) Subletting shall include the occupancy of the Unit by any persons not authorized to occupy the apartment, whether or not any maintenance is paid by the occupants.

(d) Without limiting the rights of the Lessor to grant or withhold its consent or to establish conditions on any proposed sublet, Lessee hereby acknowledges and agrees that:

- (i) In the event that the Lessee for whatever reason, sub-lets or otherwise rents the unit to a rental tenant or any other person and then fails to make payments due for maintenance charges, assessments or late fees for such unit within thirty (30) days of the expiration of any grace period after they are due, upon notice from the Lessor as described below, all rental payments due from the rental tenant or other occupant shall be payable directly to the Lessor to be applied toward the outstanding maintenance charges, assessments or late fees of the Lessee with the Lessor.
- (ii) If the maintenance charges, assessments or late fees due for the unit have not been paid in full within 30 days after the expiration of any grace period of the earliest due date, the Lessor shall provide written notice to the rental tenant or other occupant and the Lessee providing that commencing immediately, and continuing until such time as all

payments for maintenance charges, assessments or late fees are made current, all rental payments otherwise payable to the Lessee by the rental tenant or other occupant which comes due subsequent to the issuance of such notice, are to be made payable directly to the Lessor.

- (iii) At such time as payments for maintenance charges, assessments and late fees from the Lessee are once again current, notice of such fact shall be given within three (3) business days to the rental tenant or other occupant and the Lessee. Thereafter, all rental payments for the unit shall be made payable to the Lessee.
- (iv) In the event Lessee disputes Lessor's claim to a rental payment, Lessee shall be entitled to present facts supporting his/her position at the next scheduled board meeting, which must be held within thirty (30) days of the date that the board receives notice that the Lessee seeks to dispute such claim.
- (v) Nothing contained herein shall limit any rights of the Lessor existing under any other provision of this Lease or under any other law or agreement.
- (vi) Payment by a rental tenant or other occupant to the Lessor made in connection with this paragraph 19(d), shall relieve the rental tenant from the obligation to pay such rent to the Lessee and shall be an absolute defense in any non-payment proceeding commenced by the Lessee against such tenant for such rent.

**20. ASSIGNMENT OF PROPRIETARY LEASE.** The Lessee shall not assign this Lease without the prior written consent of the Lessor or if the Lessor shall have failed or refused to give such consent, then by lessees owning at least two-thirds of the then issued shares of the Lessor by written consent or by affirmative vote taken at a meeting called for such purpose. Moreover, the Lessee shall not assign this Lease or transfer the shares to which it is appurtenant until:

- (a) An assignment instrument in form approved by Lessor executed by the assignor is delivered to the Lessor; and
- (b) An assumption agreement by the assignee in form approved by Lessor is delivered to the Lessor, or, at the request of the Lessor, a new lease in the same form for the remainder of the term is entered into; and
- (c) All shares of the Lessor to which this lease is appurtenant is transferred to the assignee, with proper transfer taxes paid; and

(d) All sums due from the Lessee is paid to the Lessor, together with a sum to be fixed by the Directors to cover reasonable legal and other expenses of the Lessor and its managing agent in connection with such assignment and transfer of shares. Notwithstanding the foregoing, the Lessor's written consent to an assignment of this Lease will not be required in the case of an assignment, transfer or bequest to the Lessee's spouse, and as provided in paragraphs 23 & 50 of this Lease.

**21. CONSENT TO ASSIGNMENT OF PROPRIETARY LEASE.** If the Lessee shall die, consent shall not be required for an assignment of the lease and shares to the Lessee's surviving spouse.

**22. LIABILITY UPON ASSIGNMENT OF PROPRIETARY LEASE.** If the lease shall be assigned in compliance herewith, the Lessee-assignor shall have no further liability under this lease.

**23. PLEDGE OF SHARES.** (a) The Lessee may pledge and assign this Lease and the shares of the Lessor allocated to the Unit as security for a loan made to the Lessee by a bank, trust company, insurance company or other recognized lending institution (the "Lender"), for any purpose whatsoever; provided, however, that the certificate representing the shares allocated to the Unit and this Lease may be assigned to the Lender only as security for repayment of the loan. The "Lender" may include the seller or any third party when the pledge and assignment is for the purpose of purchasing the shares allocated to the Unit and this Lease and said shares are assigned to the Lender only as security for the repayment of the loan.

(b) In the event of a default by the Lessee in any of the terms, covenants, provisions or conditions of this Lease, the Lessor will give written notice thereof to the Lender provided; (i) the Lender's lien on the shares and Lease has been perfected; and (ii) written notice of the name and address of the Lender has been given by registered or certified mail to the Lessor prior to the date of any such default. If the Lessee shall fail to cure said default within the time and in the manner provided for in this Lease, then the Lender shall have an additional period of time equal to the time originally given to the Lessee to cure said default, and the Lessor will not act upon said default until the time of the Lender to cure said default has elapsed and the Lender has not cured said default.

(c) In the event of a default by the Lessee in any of the terms, covenants, provisions or conditions of this Lease, or in the payment to the Lender of any installment of principal or interest or in the performance of any other obligation of the Lessee to the Lender, the Lessor after written notice thereof from the Lender will exercise the right of termination of this Lease granted to the Lessor pursuant to Paragraph 41 hereof, and if the Lessee shall fail to vacate the Unit, will institute summary dispossession proceedings against the Lessee and take all steps and do all acts thereafter required in order to obtain possession of the Unit, all at the expense of the Lender, provided, however, that the Lender shall meanwhile pay all maintenance charges and other charges becoming due hereunder for the account of the Lessee until this Lease and shares allocated to the Unit are acquired for personal occupancy.

(d) If Lessor shall fail to exercise its right to terminate and/or to commence summary proceedings or to take all steps or do all acts required to be done pursuant hereto within a reasonable time after receipt of written request for such action by the Lender, then and in that event, Lessor shall execute and deliver to the Lender a power of attorney coupled with an interest to act in the name of the Lessor in any of the ways provided for herein at the Lender's sole expense, and if the Lessor shall fail to execute and deliver such power of attorney within five days after demand, such power of attorney may be executed by the Lender on behalf of and as the agent for the Lessor. The Lessee agrees that until any such loan is repaid to the Lender in full with interest, the Lessee shall not have any right to cancel this Lease as provided in Paragraph 46 hereof, and the Lessor agrees that until it receives written notice from the Lender that the entire amount of the loan with interest has been paid in full or discharged, the Lessor will not accept any surrender of this Lease by the Lessee under Paragraph 46 hereof.

(e) If this Lease is terminated at the Lender's request by reason of a default by the Lessee in any of the terms, covenants, conditions, or provisions of this Lease or in the payment to the Lender of any installment of principal or interest or in the performance of any other obligation of the Lessee to the Lender, the Lender may sell and assign the shares of the Lessor allocated to the Unit and this Lease subject to the provisions of Paragraph 20 of this Lease, or sublet the Apartment, for the account of the Lender subject to provisions of Paragraph 19. If written notice of any such perfected lien has been given to the Lessor by the Lender as aforesaid, the Lender may assign all its rights thereto and its lien on the shares of Lessor allocated to the Unit and this Lease by giving written notice to the Lessor by certified or registered mail setting forth the name and address of the assignee, and such assignee and any subsequent assignee or assignees shall thereupon have all the rights of the Lender under this Paragraph 23.

(f) If, through oversight or negligence, Lessor or Lessor's agents or employees shall fail to notify Lender of Lessee's default prior to termination of the Lease or to take any other action required pursuant to this Paragraph 23, Lender shall not seek to hold Lessor, its employees and/or agents liable for any damage or injury caused by such failure nor shall Lessor be liable therefore; and such failure shall not void or vitiate any notice of default, notice of cancellation or other notices given to Lessee's or third parties or actions taken by Lessor pursuant to this Paragraph 23, provided: (i) that Lessor shall advise Lender promptly after discovering Lessor's failure, and (ii) if Lessor has already sold or contracted to sell the shares and Lease, that Lessor pay Lender the net proceeds of such sale (after reimbursing Lessor for all sums due Lessor) actually received by Lessor, or such lesser sum as shall equal the amount owing to Lender by the Lessee (the balance being payable to the Lessee), or (iii) if Lessor has not contracted to sell the shares and Lease allocated to the Unit, and if Lessee's default can be cured by the payment of money, that Lessor will take no further action to foreclose on its lien for such money or to sell the shares and Lease until fifteen days after notice to Lender, during which fifteen (15) days, Lender may redeem the shares and Lease by payment of all sums due from Lessee. If Lessor has not contracted to sell the shares and Lease allocated to the Unit and if the Lease was terminated and the shares canceled for a default not curable by

the payment of money, provided Lender pays when due all sums owed to Lessor, Lessor shall not sell the shares and Lease or sublet the Unit without either: (x) Lender's consent which shall not be unreasonably withheld; or (y) Lender having been afforded a reasonable opportunity to cure the non-monetary default, but in no event less than thirty (30) days.

(g) Lender shall indemnify Lessor, its employees and agent, and any transferee of the shares and Lease against any loss, liability or expense incurred in connection with any claim by Lessee, or anyone claiming by, for or through Lessee or by any other creditor of Lessee arising out of any action taken by Lessor or its employees or agents pursuant to this Paragraph 23, including, without limitation, the giving of notices, commencement of any action against Lessee required or requested by Lender, the transfer of the shares and Lease allocated to the Unit to Lender or to any designee, assignee or transferee of Lender or the taking of any action at the request of Lender. Such indemnity shall be confirmed in writing by Lender upon the request of Lessor. If in Lessor's reasonable judgment a bond or surety or opinion of Lender's counsel is required to protect Lessor pursuant to this indemnity, Lessor may require such bond or surety to be posted by Lender or such opinion to be delivered prior to Lessor undertaking any acts required or permitted under this Paragraph 23.

(h) Upon the request of a proposed transferee or a Lessee, Lessor shall enter into an agreement (commonly known as a "Recognition Agreement") with a Lender pursuant to which Lessor will acknowledge and agree that the foregoing provisions of this Paragraph 23 will enure to the benefit of and apply to the Lender named in the Recognition Agreement.

(i) The Recognition Agreement may contain such additional or different provisions as the Lender may request and the Lessor shall execute and deliver same to the Lender provided only that such additional or different provisions are approved by counsel to the Lessor (which approval may not be unreasonably withheld or delayed) and shall be given or deemed given if same are of substantially similar tenor to the provisions of this Paragraph 23 and provided further that if the provisions of the Recognition Agreement conflict with the provisions of subparagraph (f) or (g) above, the provisions of subparagraph (f) and/or (g) (as the case may be) shall control. All costs and expenses incurred by the Lessor in connection with such Recognition Agreement (including legal fees) shall be borne entirely by the Lessee or his transferee.

**24. LESSEE'S OBLIGATION TO MAINTAIN THE UNIT.** The Lessee shall keep the interior of the Unit in good repair, shall do all of the painting and decorating of the Unit and shall be solely responsible for the maintenance, repair, and replacement of exposed plumbing, gas and heating fixtures and pipes but shall not include gas, steam water or other pipes or conduits within the walls, ceilings or floors or air conditioning or heating equipment which is part of the standard building equipment. The Lessee shall be solely responsible for the maintenance, repair and replacement of all lighting and electrical fixtures, appliances and

equipment. The Lessor shall have the authority to promulgate such rules and procedures (in the form of House Rules) at its sole discretion in order to regulate the obligations of all lessees under this Paragraph.

**25. DAMAGE TO UNIT.** If, in the Lessor's sole judgment, any of the Lessee's equipment or appliances shall result in damage to the building(s) or interruption of service to other portions of the building(s), or if any such appliances visible from the outside of the building(s) shall become rusty or discolored; the Lessee shall promptly, on notice from the Lessor, remedy the condition and, pending such remedy, shall cease using any appliance or equipment which may be creating the objectionable condition.

**26. CHANGES OR ALTERATIONS TO THE UNIT.** (a) The Lessee, with the exception of the Holder(s) of Unsold Shares (as defined below in Paragraph 49), must obtain prior written consent of the Board of Directors prior to making any alterations or changes in the Unit, which consent shall not be unreasonably withheld or delayed. The Lessee will comply with all the requirements of the Board of Fire Underwriters, insurance authorities and all governmental authorities and with all laws, ordinances, rules and regulations with respect to the occupancy or use of the Unit. If any mortgage affecting the land or the building(s) shall contain any provision pertaining to the right of the Lessee to make changes or alterations, or to remove any of the fixtures, appliances, equipment or installations, the Lessee herein shall comply with the requirements of such mortgage or mortgages relating thereto.

(b) Moreover, as a condition precedent to the granting of Lessor's consent as required in Paragraph 26 (a) above:

(i) Lessor is required to execute and submit an alteration agreement acceptable to Lessor and Lessor's counsel in form and substance;

(ii) The maintenance and repair of such alterations shall be the responsibility of the current Lessee regardless of whether the current Lessee was the originator of the alteration. Accordingly, any subsequent Lessee will be required to execute an assumption of alteration agreement as a condition precedent to obtaining consent to purchase the shares allocated to the Unit; and

(iii) The performance by Lessee of any work in the Unit shall be in accordance with any applicable rules and regulations of the Lessor and governmental agencies having jurisdiction thereof. The Lessee shall not in any case install any appliances which will overload the existing wires or equipment in the building(s).

**27. OBLIGATION TO MAKE REPAIRS TO THE UNIT.** If the Lessee shall fail for 30 days after notice to make repairs to any part of the Unit, its fixtures, or equipment as herein required, or shall fail to remedy a condition which has become objectionable to the Lessor for reasons set forth above, the Lessor may make such repairs,

or remove such objectionable condition or equipment, or perform such act, without liability to the Lessor; provided that, if the condition requires prompt action, notice of less than 30 days or, in the case of emergency, no notice need be given. In all such cases the Lessor, its agents, and contractors shall, as between the Lessor and Lessee, be conclusively deemed to be acting as agents for the Lessee, and contracts therefore made by the Lessor shall be so construed whether or not made in the name of the Lessee, and all expenses incurred or for which it has contracted hereunder, shall be payable by the Lessee on demand as additional rent.

**28. INCREASE OF RATE OF FIRE INSURANCE.** The Lessee shall not permit or suffer anything to be done or kept in the Unit which will increase the rate of fire insurance on the building. If, by reason of occupancy or use of the Unit by the Lessee, the rate of fire insurance on the building is increased, the Lessee shall be liable for the additional insurance premiums incurred by Lessor, and the Lessor shall have the right to collect the same as additional rent.

**29. ALTERATIONS TO UTILITY LINES AND FIXTURES.** The Lessee, with the exception of the Holder(s) of Unsold Shares, may not, without the prior written consent of the Board of Directors, which consent shall not be unreasonably withheld, make any alteration, enclosure or addition to the Unit or any to the water, gas or steam risers or pipes, heating or air conditioning system or Units, electrical conduits, wiring or outlets, plumbing fixtures, intercommunication or alarm systems, or any other installation of facility in the Unit or building(s). The performance by Lessee of any work shall be in accordance with any applicable rules and regulations of the Lessor and governmental agency having jurisdiction. The Lessee shall not in any case install any appliances which will overload the existing wires or equipment in the building(s).

**30. REMOVAL OF FIXTURES AND APPLIANCES.** Lessee shall not remove any fixtures, appliances, additions or improvements from the Unit except without structural alterations or permanent damage to the Unit, provided that the Lessee shall, at his own expense, repair all damage which shall have been caused by either the installation or removal of any of such additions, improvements, appliances or fixtures; and that if any mortgage had acquired a lien on any such property prior to the execution of this lease, Lessee shall first procure from such mortgagee its written consent to such removal.

**31. SURRENDER OF POSSESSION.** On the expiration or termination of this Lease, the Lessee shall surrender to the Lessor possession of the Unit and any additions, improvements, fixtures or appliances not removed by the Lessee on or before such expiration or termination of this Lease shall, at the option of the Lessor, be deemed abandoned and shall become the property of the Lessor and may be disposed of by the Lessor without liability or accountability to the Lessee.

**32. SUBORDINATION OF LEASE.** This lease is and shall be subject and subordinate to all ground or underlying leases and to any mortgages now or hereafter liens upon such leases or on the property of the Lessor, and to any and all extensions

modifications, consolidations, renewals and replacements thereof. This clause shall be self-operative and no further instrument of subordination shall be required by any such mortgagee or ground or underlying Lessee. In confirmation of such subordination the Lessee shall at any time, and from time to time, on demand, execute any instruments that may be required by any mortgagee, or by the Lessor for the purpose of more formally subjecting this lease to the lien of any such mortgage or mortgages or ground or underlying leases; and the duly elected officers, of the Lessor are and each of them is hereby irrevocably appointed the attorney-in-fact and agent of the Lessee to execute the same upon demand, and the Lessee hereby ratifies any such instrument hereafter executed by virtue of the power of attorney hereby given.

**33. MECHANICS LIEN.** In case a notice of mechanic's lien against the building shall be filed purporting to be for labor or material furnished or delivered at the building or the Unit to or for the Lessee, the Lessee shall forthwith cause such lien to be discharged and if the Lessee shall fail to do so within 10 days after notice from the Lessor, then the Lessor may cause such lien to be discharged by payment, bonding or otherwise, without investigation as to the validity thereof or of any offsets or defenses thereto, and shall have the right to collect, as additional rent, all amounts, costs and expenses paid or incurred in connection therewith, including reasonable attorneys' fees and disbursements, together with interest thereon from the time or times of payment.

**34. ACCESS TO UNIT BY LESSOR.** The Lessor and its agents and their authorized workmen shall be permitted to enter the Unit and any storage space assigned to Lessee at any reasonable hour of the day upon notice, or at any time and without notice in case of emergency, to make or facilitate repairs in any part of the building or to cure any default by the Lessee and to remove such portions of the walls, floors and ceilings of the Unit and storage space as may be required for any such purpose, but the Lessor shall thereafter restore the Unit and storage space to its proper and usual condition at Lessor's expense if such repairs are the obligation of Lessor or at Lessee's expense if such repairs are the obligation of Lessee. In order that the Lessor shall have access to the Unit or storage rooms for the purposes provided for in the lease, the Lessee shall provide the Lessor with a key to each lock providing access to the Unit or the storage rooms. If the Lessee shall not permit any entry at any time when an entry therein shall be necessary or permissible hereunder and shall not have furnished a key to Lessor, the Lessor or the Lessor's agent may forcibly enter the apartment or storage space without liability for damages by reason thereof and without in any manner affecting the obligations and covenants of this lease.

**35. WAIVER OF BREACH OF LEASE.** The failure of the Lessor to insist, upon a strict performance of any of the provisions of this Lease, or to exercise any right or option herein contained, shall not be construed as a waiver, of any such provisions, options or rights, but such provision, option or right shall continue and remain in full force and effect. The receipt by the Lessor of maintenance, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by the Lessor of any provision hereof shall be deemed to have been made unless in a writing expressly approved by the Directors.

**36. NOTICES AND DEMANDS.** (a) Any notice by or demand from either party to the other shall be duly given only if in writing and sent by registered or certified mail; if by the Lessee, addressed to the Lessor at the building with a copy sent by regular mail to the Lessor's managing agent; if to the Lessee, addressed to the building. Notices or demands shall be deemed given on the date when mailed.

(b) Notwithstanding the foregoing, any notice or demand from either party to the other shall be deemed duly given if in writing and sent by:

(i) Tele-facsimile transmitted to the other party at such party's tele-facsimile machine in his or her principal place of business or residence, with an additional copy sent by regular mail addressed to the address to which maintenance bills are sent; or

(ii) Personally delivered to the principal place of business or residence and a receipt signed by an adult at such address is received or for which an affidavit is obtained from the messenger attesting to the delivery; or

(iii) Sent by overnight delivery courier/express service to the residence of such party or to that party's principal place of business and a receipt signed by an adult at such address is received.

**37. DEFAULT BY LESSEE.** (a). If the Lessee shall at any time be in default hereunder and if Lessor shall incur any legal fees or disbursements in connection with such default, Lessee will reimburse Lessor for such actual disbursements including, but not limited to, reasonable attorneys' fees thereby incurred by Lessor and Lessor shall have the right to collect the same as additional rent.

(b) If the Lessee shall at any time institute any action or proceeding against Lessor, whether or not arising under this Lease or if Lessor shall institute any action or proceeding against Lessee, whether or not arising under this Lease, if Lessor shall prevail in such action or proceeding, the Lessee will reimburse Lessor for the actual disbursements incurred by Lessor, actual court costs and the reasonable attorneys' fees incurred by Lessor, and Lessor shall have the right to collect the same as additional rent.

(c) If the Lessee shall at any time be in default hereunder and the Lessor shall incur any other expense (whether or not theretofore paid) in performing the acts which the Lessee is required to perform, the expense thereof to the Lessor shall be paid by the Lessee to the Lessor, on demand, as additional rent.

**38. LESSOR'S LIABILITY.** The Lessor shall not be liable, except by reason of Lessor's negligence, for any failure or insufficiency of heat, water supply, electric current, gas, telephone, or elevator service or other service to be supplied by the

Lessor hereunder. No abatement of maintenance or other compensation or claim of eviction shall be made or allowed because of failure to make repairs, alterations or decorations to the building, or for interruption or curtailment of any service agreed to be furnished by the Lessor, unless due to Lessor's negligence.

**39. STORAGE SPACE AND BUILDING FACILITIES.** If the Lessor shall furnish to the Lessee any storage bins or space, the use of the laundry, or any facility outside the Unit, the same shall be deemed to have been furnished gratuitously by the Lessor under a revocable license. The Lessee shall not use such storage space for the storage of valuable or perishable property, and any such storage space assigned to Lessee shall be kept by Lessee clean and free of combustibles. Any use that Lessee may make of such equipment or space shall be at his own cost, risk and expense.

**40. WINDOW CLEANING.** The Lessee will not permit the cleaning of any window in the Unit from the outside unless at the direction and under the supervision of the Lessor.

**41. TERM OF LEASE.** The term of this lease shall expire and the Lessee shall quit and surrender the Unit to the Lessor upon at least 5 days written notice (it being the intention of the parties hereto to create hereby a conditional limitation), upon the happening of any of the following events:

(a) If the Lessee shall cease to be the owner of the shares and this lease to which they are appurtenant;

(b) If the Lessee hereof shall be adjudicated a bankrupt, a receiver of all of the property of the Lessee shall be appointed; or lessee shall make a general assignment for the benefit of creditors;

(c) If there be an assignment of this lease, or any subletting, without full compliance with the requirements of this lease; or if any person not authorized by Paragraph 18 shall be permitted to use or occupy the Unit;

(d) If the Lessee shall be in default for a period of one month or more in the payment of any maintenance or additional rent;

(e) If the Lessee shall be in default in the performance of any covenant or provision hereof;

(f) If at any time the Lessor shall determine upon the affirmative vote of two-thirds of its then Board of Directors, at a meeting duly called for that purpose, that because of objectionable conduct on the part of the Lessee, or of a person dwelling or visiting in the Unit, repeated after written notice from Lessor, the tenancy of the Lessee is undesirable;

(g) If at any time the Lessor shall determine, upon the affirmative vote of two-thirds of its then Board of Directors, at a meeting of such Directors duly called for that purpose, and the affirmative vote of the holders of at least 80% of its issued shares, at a shareholders' meeting duly called for that purpose, to terminate all proprietary leases;

(h) If the building(s) shall be substantially damaged beyond reasonable repair and at least 80% of the shareholders shall decide not to repair or rebuild as provided in this Lease;

(i) If at any time the building(s) or a substantial portion thereof shall be taken by condemnation proceedings.

**42. REPOSSESSION BY LESSOR.** In the event the Lessor resumes possession of the Unit, by summary proceedings, or otherwise, Lessee shall continue to remain liable for payment of a sum equal to the maintenance which would have become due hereunder and shall pay the same in installments at the time such maintenance would be due hereunder. After resuming possession, the Lessor may, at its option, relet the Unit for its own account, or relet the Unit as the agent of the Lessee, in its discretion. If the Lessor relets the Unit as agent for the Lessee, it shall, after reimbursing itself for its expenses in connection therewith, including leasing commissions and attorneys' fees and decorations, alterations and repairs to the Unit, apply the balance against the Lessee's continuing obligations hereunder. There shall be a final accounting between the Lessor and the Lessee upon the date of expiration of the term of this lease, or the date as of which a new proprietary lease shall become effective.

**43. TERMINATION OF LEASE.** Upon the termination of this lease, the Lessee shall surrender to the corporation the certificate for the shares of the corporation owned by the Lessee to which this lease is appurtenant.

**44. WAIVER OF RIGHT OF REDEMPTION.** The Lessee hereby expressly waives any and all right of redemption in case the Lessee shall be dispossessed by judgment or warrant of any court or judge.

**45. SURRENDER OF POSSESSION.** On or before any termination of this lease, the Lessee shall vacate and surrender possession thereof to the Lessor or its assigns, and upon demand of the Lessor, shall execute, acknowledge and deliver to the Lessor or its assigns any instrument which may reasonably be required to evidence the surrendering of this lease or the Unit.

**46. CANCELLATION OF LEASE BY LESSEE.** This Lease may be cancelled by the Lessee on any October 31<sup>st</sup> after October 31, 2003. Irrevocable written notice of intention to cancel must be given by the Lessee to Lessor on or before May 1, in the calendar year in which such cancellation is to occur. At the time of the giving of such notice there must be deposited with the Lessor by the Lessee: the Lessee's counterpart of this lease with a written assignment in form required by the Lessor, effective as of October 31 of the year of cancellation, free from all subleases, tenancies, liens,

encumbrances and other charges whatsoever and the Lessee's certificate for his shares appurtenant to the lease, endorsed in blank for transfer and with all necessary transfer taxes due thereon; for which shares the Lessee is to receive no payment or compensation of any kind whatsoever; and on or before said October 31st the Lessee shall deliver possession of the Unit to the Lessor in good condition with all required equipment, fixtures and appliances installed and in proper operating condition and Lessee shall pay to the Lessor all maintenance and other charges which shall be payable under this lease up to and including the following October 31<sup>st</sup>.

**47. SHOWING OF UNIT.** The Lessor and its agents may show the Unit to prospective Lessees, and others at reasonable times after notice of the Lessee's intention to cancel in accordance with Paragraph 46 above.

**48. CANCELLATION OF LEASES BY LESSEES.** If Lessees owning at least 80% of the issued shares of the Lessor shall exercise the option to cancel their leases, then this and all other proprietary leases shall thereupon terminate on the October 31<sup>st</sup> of the year in which such options shall have been exercised.

**49. UNSOLD SHARES.** The term "Unsold Shares" means the shares of the Lessor which were issued to [Metrovest GPNJ, LLC] or assignees pursuant to the Plan of Reorganization, which Plan was confirmed by Order of the Court on May 18, 1999 [In re: *Gregory Park Cooperative Corporation*, U.S.B.C., D.N.J. Index No. 98-2976, (Judge Touhey). All shares which are Unsold Shares shall retain their character as such (regardless of transfer) until such shares are held by the bona fide occupant of the unit to which such shares are allocated.

**50. ASSIGNMENT AND SUBLETTING BY HOLDERS OF UNSOLD SHARES.** The Holder of Unsold Shares may assign this Lease, sublet the Unit or change or alter the Unit(s) (including combining one or more contiguous Units) without the consent of the Lessor, its Directors or shareholders or any other person.

**51. TRIAL BY JURY.** The parties hereto waive trial by jury in any action, proceeding or counterclaim brought by either of the parties against the other on any matters whatsoever arising out of or in any way connected with this lease.

**52. SECURITY AGREEMENT.** (a) As provided in the By-laws of the Lessor, the Lessor has reserved an issuer's first lien upon the shares allocated to the Unit and this Lease attributable thereto (as well as any other shares in the Lessor owned by Lessee and the lease attributable thereto) secure any and all indebtedness(es) and obligations owing and to be owing by the Lessee to the Lessor. As and for additional collateral to secure the Lessor's lien on the shares allocated to the Unit and this Lease attributable thereto, simultaneous with the execution of this Lease, Lessee has executed and delivered to Lessor duplicate original U.C.C.-1 Financing Statements, suitable for recording. To the extent necessary under applicable law, Lessee agrees to deliver the original stock certificate and duplicate original of this Lease to Lessor, to be held as collateral in order to perfect the lien thereupon.

(b) It is the intention of the parties hereto that this Lease be deemed to be a "security agreement" as contemplated in U.C.C. §9-203 (1)(a) so that the Lessor's security interest in the shares allocated to the Unit and this Lease attributable thereto, shall be deemed enforceable against the Lessee and/or any third parties.

**53. INVALIDITY OF PROVISIONS.** If any provision herein contained shall adjudged invalid, the same shall not affect the validity of any other provision of this Lease.

**54. CHANGES IN LEASE.** The provisions of this Lease cannot be changed orally. So long as the Holder of Unsold Shares owns at least 5% of the outstanding shares of the Lessor, no portion of the Lease may be amended or revised without the express, prior written consent of the Holder of Unsold Shares.

**55. CAPTIONS.** Captions of the several paragraphs of this Lease shall not be deemed part of this lease.

**IN WITNESS WHEREOF**, the parties have executed this lease.

**METROPOLIS TOWERS APT. CORP.**

By: \_\_\_\_\_  
President/Secretary

\_\_\_\_\_  
Lessee (L.S.)

\_\_\_\_\_  
Lessee (L.S.)

STATE OF NEW JERSEY)  
: ss.:  
COUNTY OF \_\_\_\_\_)

On the \_\_ day of \_\_\_\_\_, in the year \_\_\_\_, before me personally appeared to me know, who being by me duly sworn, did depose and say that he resides at \_\_\_\_\_; that he/she is the \_\_\_\_\_ of METROPOLIS TOWERS APT. CORP. the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

\_\_\_\_\_  
Notary Public

STATE OF NEW JERSEY)  
: ss.:  
COUNTY OF \_\_\_\_\_)

On the \_\_ day of \_\_\_\_\_, in the year \_\_\_\_, before me personally appeared to me personally known and known to me to be the individual described in and who executed the foregoing instrument, and duly acknowledged to me that he executed the same.

\_\_\_\_\_  
Notary Public